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March 23, 2015

Via Electronic & First Class Mail
Lewis D. Wrobel, Esq.
201 South Avenue
Poughkeepsie, NY 12601

**Re: New York Military Academy
Chapter 11; Case No. 15-35379 (CGM)**

Dear Lew:

As a follow-up to our prior conversations regarding the above-referenced matter, I enclose for your review pertinent pages of a title report recently issued regarding the New York Military Academy real property. It appears that a mortgage was filed against said real property by Landmark Development Partners, LLC, on June 20, 2014 in the amount of \$1,014,500.00. Furthermore, it appears that Anthony Desa, the Chairman of the Board of New York Military Academy, is also a member or principal of Landmark Development Partners, LLC, making said entity an insider pursuant to 11 U.S.C. §101(31) and as such, said mortgage lien is avoidable as a preferential transfer pursuant to 11 U.S.C. §547(c)(5).

In addition, it appears that a Confession of Judgment in the amount of \$344,924.67 was filed with the New York Supreme Court, County of Orange, on December 19, 2014, in favor of David Fields. As a member of the board of New York Military Academy, Mr. Fields is also an insider pursuant to 11 U.S.C. §101(31).

Please undertake whatever may be necessary, by way of a Consent Stipulation or the commencement of the appropriate Adversary Proceeding, to have the underlying liens removed as against the title to the debtor's real property. My client is quite concerned that the continued existence of these liens, which are on the face preferential, could have adverse consequences in any sale and further could chill or even dissuade potential bidders at a sale.

Please advise accordingly.

Thank you for your attention to this matter.

Very truly yours,

GENOVA & MALIN


THOMAS GENOVA

Mortgages - continued

Mortgage Number 2 of 2

Title Number HN 53126

Mortgagor **New York Military Academy**

Mortgagee **Landmark Development Partners, LLC**

Amount **\$1,014,500.00**

Dated **06/18/2014**

Recorded **06/26/2014**

Liber **13763**

Page **1546**

Title Company will require a written payoff statement prior to closing.

These mortgage returns, unless the mortgage is to be insured, will appear as exceptions from coverage. The information set forth herein is obtained from the recorded instrument. Sometimes the provisions of a mortgage may be modified by agreements which are not recorded. We suggest that you communicate with the mortgagee if you desire any additional information. If there has been a change in the owners and holders of the mortgage, such information should be furnished to us promptly to enable further searches to be made.

Instr #: 20140099719
Book/Page: 8151 / 443
Case #: 009430-2014

Rec Date: 12/19/2014 02:54:06 PM
Doc Grp/Desc: JMT / CIVIL JUDGMENTS (CT)

Creditor: FIELDS DAVID B
130 N 18TH ST 17TH FL
PHILADELPHIA PA 19130

Debtor: NEW YORK MILITARY ACADEMY
78 ACADEMYAVE
CORNWALL ON HUDSON NY

Court Name: SUPREME

Where Perfected: ORANGE

Perfected Date: 12/19/2014

Perfected Time: 02:54 PM

Total: \$344,924.67

Plaintiff Attorney: CORBALLY GARTLAND & RAPPLEYEAE
35 MARKET STREET
POUGHKEEPSIE NY 12601

Related: 12/19/2014 CIVIL Case#: 009430-2014

CORRECTIONS: (As of 03/16/2015 03:06 PM)

NONE